

Market Commentary

Recap: The oil market on Tuesday traded higher following Monday's sell off that was prompted by the sharp equities market losses, although its gains were limited by continuing concerns over a U.S. economic slowdown and the impact of tariffs on global economic growth. The crude market, which continued to trend lower in overnight trading, breached its previous low and sold off to a low of \$65.29. The market later bounced off that level and retraced some of Monday's losses as it posted a high of \$67.17 by mid-morning. However, the market pared some of its earlier gains after President Donald Trump said the U.S. would impose an additional 25% tariff on all steel and aluminum imports from Canada, increasing the total tariff on those products to 50%. It traded back towards the \$66 level and traded sideways ahead of the close as the market positioned itself ahead of the release of the weekly petroleum stocks reports. The April WTI contract settled up 22 cents at \$66.25 and the May Brent contract settled up 28 cents at \$69.56. The product markets ended the session higher, with the heating oil market settling up 1.69 cents at \$2.1968 and the RB market settling up 1.25 cents at \$2.1050.

Technical Analysis: The market on Wednesday will seek further direction from the weekly petroleum stocks reports, which are expected to show a build in crude stocks of about 2 million barrels. The market will also seek further developments on the 30-day ceasefire proposal that Ukraine agreed to following a meeting with U.S. officials on Tuesday. It still has to be seen whether Russia will agree to the proposal. The market will also continue to weigh the seesawing tariff announcements by the Trump administration, which have kept the markets on edge after the Trump administration once again reversed an earlier tariff announcement. The market is seen holding support at its low of \$65.29, \$65.22 followed by \$63.95 and \$63.61. Meanwhile, resistance is seen at \$67.17, \$67.60, \$68.22, \$68.56 and \$70.60.

Fundamental News: In its Short Term Energy Outlook, the EIA forecast world oil demand of 104.1 million bpd in 2025, unchanged from a previous forecast, while demand is expected to increase by 1.2 million bpd to 105.3 million bpd in 2026, which is up 100,000 bpd from a previous estimate. World oil output in 2025 is estimated at 104.2 million bpd, down 400,000 bpd from a previous forecast. Output in 2026 is forecast to increase by 1.6 million bpd to 105.8 million bpd, down 400,000 bpd from a previous estimate. U.S. oil output in 2025 is forecast at 13.61 million bpd, up 20,000 bpd from a previous forecast, while output in 2026 is expected to increase by 150,000 bpd to 13.76 million bpd, which is up 30,000 bpd from a previous estimate. The EIA forecast that the 2025 Brent crude price will average \$74.22/barrel, down from a previous forecast of \$74.50/barrel and the 2026 forecast is expected to fall to \$68.47/barrel, up from a previous forecast of \$66.46/barrel. The average price of WTI in 2025 is forecast at \$70.68/barrel, up from a previous forecast of \$70.62/barrel and the average price in 2026 is forecast to fall to \$64.97/barrel, which is up from a previous forecast of \$62.46/barrel.

U.S. trade advisor, Peter Navarro, said the 25% tariff increase on Canadian steel and aluminum will no longer take effect on Wednesday. Earlier, U.S. President Donald Trump said he is "probably so" going to reduce the recently increased tariffs on Canada after Ontario suspended a 25% surcharge on electricity exports to the United States. Ontario's Premier said the electricity surcharge, which he announced earlier on Tuesday, will be suspended temporarily after U.S. Commerce Secretary, Howard Lutnick, reached out and offered an olive branch. The Premier is expected to meet with the U.S. Commerce Secretary on March 13th.

According to a joint U.S.-Ukraine statement following talks in Saudi Arabia, Ukraine has agreed to accept a U.S. proposal for an immediate 30 day ceasefire and to take steps toward restoring a durable peace for the country following Russia's invasion.

Early Market Call - as of 8:35 AM EDT

WTI - Apr \$67.20, up 95 cents
 RBOB - Apr \$2.1328, up 2.73 cents
 HO - Apr \$2.2165, up 1.97 cents

All NYMEX | Prior Settlements

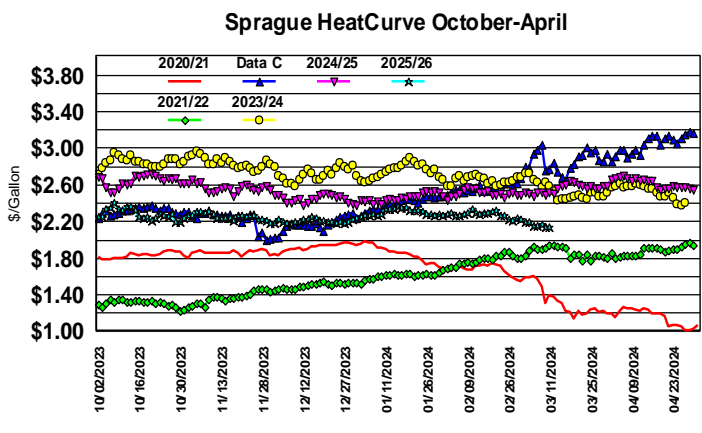
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	\$2.1968	\$0.0169	-\$0.0904
May-25	\$2.1611	\$0.0131	-\$0.0647
Jun-25	\$2.1306	\$0.0114	-\$0.0556
Jul-25	\$2.1212	\$0.0108	-\$0.0516
Aug-25	\$2.1206	\$0.0103	-\$0.0494
Sep-25	\$2.1290	\$0.0098	-\$0.0494
Oct-25	\$2.1376	\$0.0092	-\$0.0505
Nov-25	\$2.1409	\$0.0083	-\$0.0510
Dec-25	\$2.1399	\$0.0068	-\$0.0513
Jan-26	\$2.1415	\$0.0054	-\$0.0520
Feb-26	\$2.1376	\$0.0048	-\$0.0518
Mar-26	\$2.1274	\$0.0046	-\$0.0509
Apr-26	\$2.1119	\$0.0045	-\$0.0498
May-26	\$2.1049	\$0.0046	-\$0.0490
Jun-26	\$2.1012	\$0.0051	-\$0.0480
Jul-26	\$2.1047	\$0.0053	-\$0.0468
Aug-26	\$2.1084	\$0.0056	-\$0.0461

Sprague HeatCurve October 2025-April 2026			\$2.1354
		Close	Change
Crude - WTI	May Brent-WTI Spread \$3.63	\$65.9300	\$0.2500
Crude - Brent		\$69.5600	\$0.2800
Natural Gas		\$4.4530	-\$0.0380
Gasoline		\$2.1050	\$0.0125

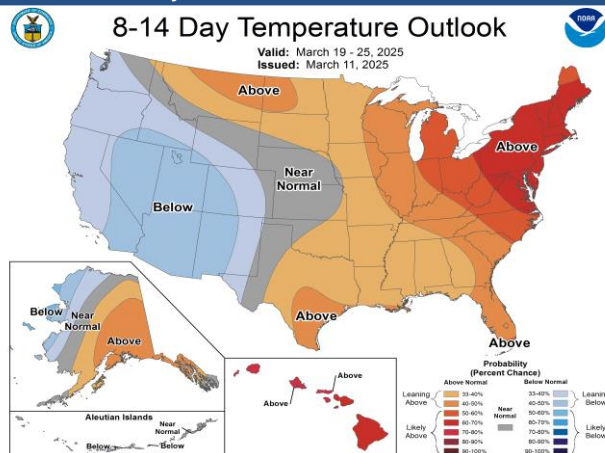
API Report for the Week Ending March 7, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 4.2 million barrels	Up 2 million barrels
Gasoline Stocks	Down 4.6 million barrels	Down 1.6 million barrels
Distillate Stocks	Up 420,000 barrels	Up 180,000 barrels
Refinery Runs		Up 0.4% at 86.3%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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